

AMENDED IN ASSEMBLY MAY 2, 2005

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

ASSEMBLY BILL

No. 659

Introduced by Assembly Member Chan

February 17, 2005

An act to amend Section 33128.3 of the Education Code, relating to school district budgets, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 659, as amended, Chan. School districts: reserve for economic uncertainties.

(1) Existing law requires the State Board of Education to adopt standards and criteria to be used by local educational agencies in the development of annual budgets and the management of subsequent expenditures from that budget.

Existing law provides that, for the 2003–04 and 2004–05 fiscal years, the requirement for a reserve for economic uncertainties is 1/2 of the percentage for a reserve adopted by the State Board of Education as of May 1, 2003.

This bill would, in addition, apply that requirement to the 2005–06 ~~and 2006–07 fiscal years~~ year, *would adjust the percentage described above to 3/4 for the 2006–07 fiscal year, and would require the full reserve for economic uncertainties to be restored in the 2007–08 fiscal year.*

(2) This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 33128.3 of the Education Code is amended to read:

33128.3. (a) Notwithstanding the standards and criteria adopted pursuant to paragraph (3) of subdivision (a) of Section 33128, for the 2003–04, 2004–05, ~~2005–06, and 2006–07 and 2005–06~~ fiscal years, the minimum state requirement for a reserve for economic uncertainties is one-half of the percentage for a reserve adopted by the State Board of Education pursuant to Section 33128 as of May 1, 2003.

(b) Notwithstanding the standards and criteria adopted pursuant to paragraph (3) of subdivision (a) of Section 33128, for the 2006–07 fiscal year, the minimum state requirement for a reserve for economic uncertainties is three-fourths of the percentage for a reserve adopted by the state board pursuant to Section 33128 as of May 1, 2003.

~~(b)~~
(c) For the 2007–08 fiscal year, the minimum state requirement for a reserve for economic uncertainties shall be restored to the percentage adopted by the State Board of Education pursuant to Section 33128 as of May 1, 2003.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to apply the minimum state requirement for a reserve for economic uncertainties as provided in this act in the 2004–05 and 2005–06 fiscal years, it is necessary that this act take effect immediately.